

PARK TOWNSHIP
FINANCIAL STATEMENTS
JUNE 30, 2006

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Park Township	County St. Joseph
Fiscal Year End June 30, 2006	Opinion Date May 25, 2007	Date Audit Report Submitted to State July 10, 2007	

We affirm that:

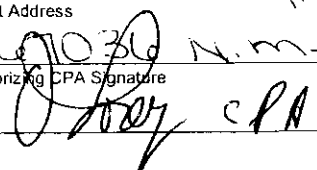
We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- | YES | NO | Check each applicable box below. (See instructions for further detail.) |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1. All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures. |
| <input type="checkbox"/> | <input type="checkbox"/> | 3. The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury. |
| <input type="checkbox"/> | <input type="checkbox"/> | 4. The local unit has adopted a budget for all required funds. |
| <input type="checkbox"/> | <input type="checkbox"/> | 5. A public hearing on the budget was held in accordance with State statute. |
| <input type="checkbox"/> | <input type="checkbox"/> | 6. The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division. |
| <input type="checkbox"/> | <input type="checkbox"/> | 7. The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> | <input type="checkbox"/> | 8. The local unit only holds deposits/investments that comply with statutory requirements. |
| <input type="checkbox"/> | <input type="checkbox"/> | 9. The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the <i>Bulletin for Audits of Local Units of Government in Michigan</i> , as revised (see Appendix H of Bulletin). |
| <input type="checkbox"/> | <input type="checkbox"/> | 10. There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover. |
| <input type="checkbox"/> | <input type="checkbox"/> | 11. The local unit is free of repeated comments from previous years. |
| <input type="checkbox"/> | <input type="checkbox"/> | 12. The audit opinion is UNQUALIFIED. |
| <input type="checkbox"/> | <input type="checkbox"/> | 13. The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP). |
| <input type="checkbox"/> | <input type="checkbox"/> | 14. The board or council approves all invoices prior to payment as required by charter or statute. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 15. To our knowledge, bank reconciliations that were reviewed were performed timely. |

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) David F. Locey, CPA, PC		Telephone Number	
Street Address 6710 36 N. M. 666		City Sturgis	State MI
Zip 49091		License Number	
Authorizing CPA Signature 		Printed Name DAVID LOCEY	

PARK TOWNSHIP

CONTENTS

Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 4
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Assets	5
Statement of Net Activities	6
Notes to Financial Statements	7 - 14
Fund Financial Statements:	
Balance Sheet - Governmental Funds	15
Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Funds	16
Other Supplemental Information	
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual	17
Detailed Schedule of Expenditures - General Fund	18 - 20
Statement of Revenue, Expenditures and Changes in Fund Balance - Fire and Ambulance Funds	21
Statement of Revenue, Expenditures and Changes in Fund Balance - Street Light Fund	22
Statement of Changes in Assets and Liabilities Agency Fund - Tax Collection Fund	23

David F. Locey, C.P.A., P.C.

P.O. Box 7037
67036 N. M-66
Sturgis, Michigan 49091

666 C-I E. Main Street
Centreville, MI 49032

Phone (269) 651-4225
Fax (269) 651-1989

Phone (269)-467-4861
Fax (269)-467-4863

Independent Auditor's Report

To Board of
Park Township

We have audited the accompanying financial statements of the governmental activities of Park Township as of and for the year ended June 30, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Park Townships' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Park Township as of June 30, 2006, and the respective changes in financial position where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, budgetary comparison schedules are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Park Township's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated May 25, 2007 on our consideration of Park Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Park Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, and related statements, as of June 30, 2006.

A handwritten signature in black ink, appearing to read 'D. Loeccy', with a stylized flourish at the end.

David F. Loeccy, CPA, PC
May 25, 2006

PARK TOWNSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Township as a Whole

In a condensed format, the table below shows net assets as of fiscal year-end:

	Governmental Activities	
	<u>06-30-06</u>	<u>06-30-05</u>
Current Assets	\$1,069,457	\$ 882,744
Noncurrent Assets	<u>8,800</u>	<u>9,200</u>
Total Assets	1,078,257	891,944
Other Liabilities	<u>20,089</u>	<u>19,487</u>
Total Liabilities	20,089	19,487
Net Assets		
Invested in Capital Assets – Net of Debt	8,800	9,200
Restricted	400	400
Unrestricted	<u>1,048,968</u>	<u>862,857</u>
Total Net Assets	<u>\$1,058,168</u>	<u>\$ 872,457</u>

The following table shows the change of the net assets:

	Governmental Activities	
	<u>06-30-06</u>	<u>06-30-05</u>
Program Revenues		
Charges for Services	\$ 2,800	\$ 4,200
General Revenues		
Property Taxes	138,751	110,040
State-Shared Revenues	185,319	181,896
Unrestricted Investment Earnings	35,807	36,077
Miscellaneous	<u>16,473</u>	<u>16,185</u>
Total Revenues	379,150	348,398

	Governmental Activities	
	<u>06-30-06</u>	<u>06-30-05</u>
Program Expenses		
General Government	183,876	221,231
Public Safety	64,200	72,920
Public Works	7,336	5,777
Cultural and Recreation	<u>14,500</u>	<u>14,290</u>
Total Expenses	<u>269,912</u>	<u>314,218</u>
Change in Net Assets	<u>\$ 109,238</u>	<u>\$ 34,180</u>

The financial position has remained steady and has not materially changed during the year.

There were not material changes in the tax base during the year.

There were no significant economic events during the year.

There was no major change in the total fund balances of the funds.

The Fire and Ambulance Fund balance is restricted for fire and ambulance services.

There was no significant capital asset activity and there is no debt.

There is no reason to believe there will be a significant change in the next year.

PARK TOWNSHIP
Government-Wide Statement of Net Assets
June 30, 2006

	<u>Primary Government Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$988,075
Receivables (Net)	63,653
Prepaid Expenses	11,052
Due From Tax Fund	6,677
Capital Assets-Net	<u>8,800</u>
Total Assets	1,078,257
 Liabilities	
Due General Fund	6,677
Accounts Payable	<u>13,412</u>
Total Liabilities	20,089
 Net Assets	
Invested in Capital Assets	
Net of Related Debt	8,800
Restricted	400
Unrestricted	<u>1,048,968</u>
Total Net Assets	<u><u>\$1,058,168</u></u>

PARK TOWNSHIP
Government-Wide Statement of Activities
For the Fiscal Year Ended June 30, 2006

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Primary Government Governmental Activities
<u>Functions/Programs</u>			
Primary Government			
General Government	\$184,276	\$2,800	(\$181,476)
Public Safety	64,200	0	(64,200)
Public Works	7,336	0	(7,336)
Cultural and Recreation	14,500	0	(14,500)
Total Governmental Activities	270,312	2,800	(267,512)
 Business Type-Activities			
None	0	0	0
Total Primary Government	<u>\$270,312</u>	<u>\$2,800</u>	(267,512)
 General Revenues			
Property Taxes, Administration & Collection Fees			138,751
State-Shared Revenue			185,319
Unrestricted Investment Earnings			35,807
Miscellaneous			16,473
Total General Revenues - Special Items			<u>376,350</u>
Change in Net Assets			108,838
Net Assets - Beginning			<u>949,330</u>
Net Assets - Ending			<u>\$1,058,168</u>

The Notes to Financial Statements are an integral part of this statement.

PARK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the Local Governmental Unit conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Local Governmental Unit:

A. Reporting Entity

Park Township was organized in 1834 and covers an area of 36 square miles. The Township operates under an elected board of five members and provides services to its almost 2,700 residents in many areas including road maintenance and fire protection. In accordance with the pronouncements of Governmental Accounting Standards Board, certain other governmental organizations are not considered to be part of the Township entity for financial reporting purposes. The criteria established by GASB for determining the various governmental organizations to be included in the reporting entity's financial statements include oversight responsibility, scope of public service and special financing relationships. On this basis, the financial statements of certain other governmental organizations listed below are not included in the financial statements of the Township. Education services are provided to citizens through several local school districts which are separate governmental entities. Fire protection is provided by the Lockport, Fabius and Park Fire Association. Charges are made to members for their share of expenditures. The accompanying financial statements present the government as audited.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, and any proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

PARK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The Township property tax is levied on each December 1st on the taxable valuation of property (as defined by State statutes) located in the Township as of the preceding December 31st.

Although the Township ad valorem tax is levied and collectible on December 1, it is the Township's policy to recognize revenue from the current tax levy in the subsequent year or the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

All other revenue items are considered to be available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

There are also two Special Revenue Funds named Street Lights Fund and Fire and Ambulance Fund which primarily collect and distribute revenues for the street lights and fire and ambulance activities.

PARK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair market value.

Receivables and Payables – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and any business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Properties are assessed as of December 31. Summer school taxes are levied July 1 and payable by September 15. All other property taxes are levied December 1 and payable by February 14. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed and they are added to the county tax rolls.

Inventories and Prepaid Items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets – Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimates historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current year, no interest expense was capitalized as part of the cost of assets under construction.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	20 to 50 years
Mowers	2 to 10 years

PARK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Note 1 – Summary of Significant Accounting Policies (Continued)

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Note 2 – Reconciliation of Government-Wide and Fund Financial Statements

The differences between the government-wide and fund financial statements are reconciled as shown at the bottom of the fund financial statements.

Note 3 – Stewardship, Compliance and Accountability

Budgetary Information – Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a line item basis. The approved budgets of the Township for these budgetary funds were adopted to the line item level.

During the year ended June 30, 2006, the Township incurred expenditures in no budgetary funds which were in excess of the amounts appropriated.

Note 4 – Deposits and Investments

Deposits in banks are carried at cost and certificates of deposit are carried at cost plus accrued interest.

Act 217, PA 1982, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Local Governmental Unit Board has designated two banks for the deposit of Local Unit funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above.

The Local Governmental Unit's deposits and investment policy are in accordance with statutory authority.

PARK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Note 4 – Deposits and Investments (Continued)

At year-end, the Local Unit's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Special Revenue Activities</u>	<u>Total Primary Government</u>
Cash and Cash Equivalents	\$ 832,087	\$ 155,988	\$ 988,075
Total	<u>\$ 832,087</u>	<u>\$ 155,988</u>	<u>\$ 988,075</u>

The breakdown between deposits and investments is as follows:

	<u>Primary Government</u>
Bank Deposits (checking and savings accounts, certificates of deposit)	<u>\$ 988,075</u>
Total	<u>\$ 988,075</u>

The bank balance of the primary government's deposits is \$988,075, of which \$200,000 is covered by Federal Depository Insurance and \$0 is collateralized.

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Local Governmental Unit or its agent in the government's name;
2. Uninsured and unregistered, with securities held by the counterpart's trust department or agent in the government's name; and
3. Uninsured and unregistered, with securities held by the counterpart or by its trust department or agent but not in the Local Governmental Unit's name.

All investments are in category one.

PARK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Note 5 – Receivables

Receivables as of year-end for the government's individual major and nonmajor funds, and the internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Fire Ambulance Fund</u>	<u>Street/ Lights Fund</u>	<u>Total</u>
State Revenue Sharing	\$60,505	\$ 0	\$ 0	\$60,505
Interest	<u>1,574</u>	<u>0</u>	<u>0</u>	<u>1,574</u>
Net Receivables	<u>\$62,079</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$62,079</u>

Note 6 – Designated Net Assets

The \$400 is restricted for cemetery upkeep and held by the County.

Note 7 – Risk Management

The Township's insurance for Workers' Compensation, General Liability and Property Loss and Fleet insurance is carried by an insurance company. The Township is not self-insured other than for minimal deductibles. No known material claims are outstanding. Insurance coverage is substantially the same as in previous years.

Note 8 – Employee Retirement and Benefit Systems

The Township has a defined contribution pension plan for the elected officials. Contributions for the past three years are:

06-30-2004	\$15,221
06-30-2005	14,601
06-30-2006	13,559

Note 9 – Employee Retirement and Benefit Systems

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant and specifies how contributions to the individual's account are to be determined instead of specifying the amounts of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of those contributions.

The plan held no securities of the Township or other related parties during the year or as of the close of the fiscal year.

PARK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Note 10 – Capital Assets

Capital asset activity of the primary government for the current year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets Not Being Depreciation				
Land	\$ 1,600	\$ 0	\$ 0	\$ 1,600
Construction in Progress	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,600</u>
Subtotal	1,600	0	0	1,600
Capital Assets Being Depreciation				
Buildings	23,500	0	0	23,500
Improvements Other than Buildings	0	0	0	0
Machinery and Equipment	9,417	0	0	9,417
Infrastructure	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	32,917	0	0	32,917
Less: Accumulated Depreciation for				
Buildings	15,900	400	0	16,300
Improvements Other than Buildings	0	0	0	0
Machinery and Equipment	9,417	0	0	9,417
Infrastructure	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	<u>25,317</u>	<u>400</u>	<u>0</u>	<u>25,317</u>
Net Capital Assets Being Depreciated	<u>7,600</u>	<u>(400)</u>	<u>0</u>	<u>7,200</u>
Governmental Activities Capital Total				
Capital Assets-Net of Depreciation	<u>\$ 9,200</u>	<u>\$ (400)</u>	<u>\$ 0</u>	<u>\$ 8,800</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental Activities	
Unallocated	<u>400</u>
Total Governmental Activities	<u>\$ 400</u>

PARK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Note 11 – Summary of Significant Accounting Policies

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

PARK TOWNSHIP
Combined Governmental Fund - Balance Sheet
June 30, 2006

Assets	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total</u>
Cash and Cash Equivalents	\$832,087	\$155,988	\$988,075
Interest Receivable	1,574	1,574	3,148
Prepaid Expense	11,052	0	11,052
Revenue Sharing Receivable	60,505	0	60,505
Due From Tax Account	6,677	0	6,677
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$911,895</u>	<u>\$157,562</u>	<u>\$1,069,457</u>

Liabilities and Fund Balance

Liabilities

Accounts Payable	\$13,135	\$277	\$13,412
Due General Fund	0	6,677	6,677
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	13,135	6,954	20,089

Fund Balance

Designated - Cemetery	400	0	400
Undesignated	898,360	150,608	1,048,968
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>898,760</u>	<u>150,608</u>	<u>1,049,368</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balance	<u>\$911,895</u>	<u>\$157,562</u>	<u>\$1,069,457</u>

PARK TOWNSHIP
Governmental Fund Statement of Revenue, Expenditures
and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2006

	General Fund	Fire/Ambulance Fund	Street Lights Fund	Total Governmental Funds
Revenues				
Taxes, Administration & Collection Fees	\$135,531	\$0	\$3,220	\$138,751
State-Shared Revenues				
Sales Tax	185,319	0	0	185,319
Charges for Services	2,800	0	0	2,800
Interest	29,793	6,000	14	35,807
Other Revenue	13,073	3,400	0	16,473
Total Revenues	366,516	9,400	3,234	379,150
Expenditures				
Current				
General Government	183,876	0	0	183,876
Public Safety	0	64,200	0	64,200
Public Works	3,977	0	3,359	7,336
Culture and Recreation	14,500	0	0	14,500
Total Expenditures	202,353	64,200	3,359	269,912
Excess of Revenues Over (Under) Expenditures	164,163	(54,800)	(125)	109,238
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	164,163	(54,800)	(125)	109,238
Fund Balance - Beginning of Year	734,597	202,519	3,014	940,130
Fund Balance - End of Year	\$898,760	\$147,719	\$2,889	\$1,049,368
Amounts reported for governmental activities in the statement of activities are different because:				
*Governmental funds report capital outlays as expenditures; in the statement of activities these costs are allocated over their estimated useful lives as depreciation.				400
Change in Net Assets of Governmental Activities				\$108,838

PARK TOWNSHIP
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Tax Roll & Administration Fees	\$92,000	\$135,531	\$43,531
Intergovernmental - State	185,500	185,319	(181)
Charges for Services & Sales	4,000	2,800	(1,200)
Interest	16,000	29,793	13,793
Other	45,000	13,073	(31,927)
Total Revenues	342,500	366,516	24,016
Expenditures			
General Government			
Township Board	18,900	15,608	3,292
Township Supervisor	20,824	17,834	2,990
Elections	6,500	680	5,820
Clerk	22,696	21,215	1,481
Treasurer	26,800	25,123	1,677
Township Hall	15,500	5,216	10,284
Board of Review	1,400	1,075	325
Building Department	2,500	685	1,815
Cemetery	31,000	12,245	18,755
Other	162,050	75,791	86,259
Public Safety:			
Planning & Zoning	36,000	8,405	27,595
Public Works:			
Roads	50,000	3,976	46,024
Cultural & Recreational:			
Library	15,000	14,500	500
Total Expenditures	409,170	202,353	206,817
Excess of Revenues Over (Under) Expenditures	(66,670)	164,163	230,833
Fund Balance - Beginning of Year		734,597	734,597
Fund Balance - End of Year	(\$66,670)	\$898,760	\$965,430

PARK TOWNSHIP
Detailed Schedule of General Fund Expenditures
For the Fiscal Year Ended June 30, 2006

GENERAL GOVERNMENT	Budget	Actual	Variance Favorable (Unfavorable)
Township Board			
Trustee Salary & Meetings	-	\$7,059	-
Advertising	-	1,025	-
Miscellaneous	-	7,524	-
	<u>18,900</u>	<u>15,608</u>	<u>3,292</u>
Township Supervisor			
Salaries	-	16,783	-
Supervisor Expenses & Mileage	-	1,051	-
	<u>20,824</u>	<u>17,834</u>	<u>2,990</u>
Elections			
Wages & Clerical Asst.	-	585	-
Supplies	-	95	-
	<u>6,500</u>	<u>680</u>	<u>5,820</u>
Clerk			
Salaries	-	20,147	-
Office Supplies & Expenses	-	1,068	-
	<u>22,696</u>	<u>21,215</u>	<u>1,481</u>
Treasurer			
Salaries	-	22,790	-
Office Supplies & Expenses	-	865	-
Postage	-	1,468	-
	<u>26,800</u>	<u>25,123</u>	<u>1,677</u>
Township Hall			
Utilities	-	1,682	-
Telephone	-	1,003	-
Maintenance	-	2,531	-
	<u>15,500</u>	<u>5,216</u>	<u>10,284</u>
Board of Review			
Salaries	-	1,075	-
Office Supplies & Expenses	-	0	-
	<u>1,400</u>	<u>1,075</u>	<u>325</u>

PARK TOWNSHIP

Detailed Schedule of General Fund Expenditures - Page 2

For the Fiscal Year Ended June 30, 2006

GENERAL GOVERNMENT - Continued	Budget	Actual	Variance Favorable (Unfavorable)
Building Department			
Building Department Official			
Wages & Expenses	2,500	685	1,815
Cemetery			
Sexton	-	5,579	-
Equipment & Supplies	-	6,666	-
Capital Outlay	-	0	-
	<u>31,000</u>	<u>12,245</u>	<u>18,755</u>
Other General Government			
Audit	2,500	0	2,500
Assessor Fees	18,600	28,074	(9,474)
Reassessment Fees	15,000	0	15,000
Attorney Fees	30,000	12,511	17,489
Employer Social Security	6,500	6,280	220
Insurance	13,000	11,043	1,957
Employer Pension Fund	15,000	13,559	1,441
Liquor Inspections	1,000	859	141
Landfill	7,000	3,465	3,535
Other	53,450	0	53,450
	<u>162,050</u>	<u>75,791</u>	<u>86,259</u>
PUBLIC SAFETY			
Planning Commission - Assessor			
Wages	-	1,955	-
Zoning Expenses & Mileage	-	115	-
Consultant	-	2,000	-
Chamber of Commerce	-	70	-
	<u>32,500</u>	<u>4,140</u>	<u>28,360</u>
Planning Commission - Assessor			
Wages	3,500	4,265	(765)

PARK TOWNSHIP

Detailed Schedule of General Fund Expenditures - Page 3

For the Fiscal Year Ended June 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
PUBLIC WORKS			
Road Construction & Maintenance	50,000	3,976	46,024
CULTURAL & RECREATION			
Library			
Library Appropriations	<u>15,000</u>	<u>14,500</u>	<u>500</u>
Total Expenditures	<u><u>\$409,170</u></u>	<u><u>\$202,353</u></u>	<u><u>\$206,817</u></u>

PARK TOWNSHIP
Statement of Revenues, Expenditures & Changes in
Fund Balance - Special Revenue Funds
Fire and Ambulance Funds
For the Fiscal Year Ended June 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest - Other	<u>\$4,480</u>	<u>\$9,400</u>	<u>\$4,920</u>
Total Revenues	4,480	9,400	4,920
 EXPENDITURES			
Fire Department - Ambulance	<u>110,000</u>	<u>64,200</u>	<u>45,800</u>
Total Expenditures	110,000	64,200	45,800
Excess of Revenues Over (Under) Expenditures	(105,520)	(54,800)	50,720
Fund Balance - Beginning of Year	<u>202,519</u>	<u>202,519</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$96,999</u></u>	<u><u>\$147,719</u></u>	<u><u>\$50,720</u></u>

PARK TOWNSHIP
Statement of Revenues, Expenditures & Changes in
Fund Balance - Special Revenue Funds
Street Light Fund
For the Fiscal Year Ended June 30, 2006

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$3,300	\$3,220	(\$80)
Interest	<u>0</u>	<u>14</u>	<u>14</u>
Total Revenues	3,300	3,234	(66)
 EXPENDITURES			
Street Lights - Parkville	1,800	1,802	(2)
Street Lights - Moorepark	750	770	(20)
Street Lights - Thompson Lake	750	787	(37)
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	3,300	3,359	(59)
Excess of Revenues Over (Under) Expenditures	0	(125)	(125)
Fund Balance - Beginning of Year	<u>3,014</u>	<u>3,014</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$3,014</u></u>	<u><u>\$2,889</u></u>	<u><u>(\$125)</u></u>

PARK TOWNSHIP
Statement of Changes in Assets & Liabilities
Agency Fund - Tax Collection Fund
For the Fiscal Year Ended June 30, 2006

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Cash	\$0	\$3,230,258	(\$3,223,581)	\$6,677
LIABILITIES				
Due General Fund	\$0	\$3,230,258	(\$3,223,581)	\$6,677